

2021

MEMBER INFORMATION
PACKAGE

wfcū
CREDIT UNION

ecū
A Division of WFCU Credit Union

**MINUTES OF THE
36TH ANNUAL
GENERAL MEETING**



**MINUTES OF THE 36th ANNUAL MEETING
THURSDAY, SEPTEMBER 3, 2020 at 6:30 PM
BY VIRTUAL MEETING THROUGH ZOOM BUSINESS PORTAL
WINDSOR, ONTARIO**

WELCOME

President and Chief Executive Officer Eddie Francis welcomed all present to the 36th Annual Meeting of WFCU Credit Union. He acknowledged guests from the Credit Union and Cooperative System who had joined in the meeting, as well as External Auditor, Cynthia Swift, Partner, KPMG LLP.

Mr. Francis reported that due to the impact of the COVID-19 outbreak, and to align with meeting our legislative requirements, WFCU Credit Union was holding its Annual Meeting virtually. Mr. Francis thanked all participants for their understanding during the transition to this new form of communication and meeting format.

PRE-REGISTRATION AND VOTING PROCESS

Mr. Francis reported that those members participating in the meeting registered by the deadline date of August 25, 2020. He indicated that as in the past, upon registration, each member received a Member Information Package. The package consisted of an agenda for the meeting, and all reports and materials that were placed before the membership for approval. Members reviewed the information prior to the Annual Meeting and voted on each item using the secured platform wfcu.simplyvoting.com.

Mr. Francis reported that any questions received were submitted in advance of the meeting to the Corporate Secretary.

Mr. Francis reported that voting on all motions opened Thursday, August 27, 2020 at 9:01am and closed at 4:59pm on Wednesday, September 2, 2020. He reported the purpose of the Annual General Meeting was to provide the results of the voting. This was conveyed to the membership in all member materials.

Mr. Francis reminded the membership that there would be no voting or questions during the meeting, as all business had been placed before the membership and voted upon during the voting period of August 27, 2020 through September 2, 2020.

Mr. Francis called upon Susan Stockwell Andrews, Vice President External Affairs and Corporate Secretary to act as Emcee for the Evening.

VERIFICATION OF QUORUM /CALL TO ORDER

Ms. Stockwell Andrews thanked Mr. Francis and called upon Marty Gillis, Chair of the Board for WFCU Credit Union to verify the quorum of members present and begin the official business of the annual meeting.

Mr. Gillis reported that there were 324 members who registered for the Annual Meeting and 271 members who voted during the voting period of August 27 through September 2. He reported there were 141 members who were participating in the virtual Annual Meeting of Members through Zoom for Business.

Mr. Gillis indicated that a quorum, according to WFCU Credit Union's By-Laws, is 20 members; and, therefore he declared there was a sufficient number of members present to constitute a meeting. Mr. Gillis declared the meeting official.

Approval of the 36th Annual Meeting Agenda with the Power to Amend

Ms. Stockwell Andrews called upon Board Chair Marty Gillis to report the results of the member vote on the Approval of the 36th Annual Meeting Agenda, with the Power to Amend.

Mr. Gillis reported as mentioned earlier by Mr. Francis, advance voting took place from August 27th through September 2nd on the motions brought forth before the membership.

The Membership was informed that a copy of the 36th Annual Meeting Agenda was provided in the Member Information Packages for review and approval by the Membership.

Mr. Gillis reported voting had taken place and the motion to Approve the Agenda with the power to amend passed with 100% voting in favour of the motion.

Minutes of the Previous Annual General Meeting Held September 11, 2019.

Ms. Stockwell Andrews called upon Board Chair Marty Gillis to report the results of the member vote on the Minutes of the Previous Annual General Meeting Held September 11, 2019.

Mr. Gillis reported the minutes were included in the Member Information Package provided to each registered member for review and approval.

Mr. Gillis reported voting had taken place and the motion to approve the Minutes of the Previous Annual Meeting Held September 11, 2019 passed with 100% voting in favour of the motion.

Report of the Board of Directors and President and CEO

Ms. Stockwell Andrews called upon Board Chair Marty Gillis to report the results of the member vote on the Report of the Board of Directors and President and CEO.

Mr. Gillis reported the Report of the Board of Directors and President and CEO was included in the Member Information Packages for review and approval.

Mr. Gillis reported voting had taken place and the motion to approve the Report of the Board of Directors and President and CEO passed with 100% voting in favour of the motion.

In their report to the membership, Mr. Gillis and Mr. Francis reported that despite the challenges of COVID-19, WFCU maintained its services to members, adapted to new realities, and ensured members' financial well-being was prioritized; while too, maintaining a focused approach in meeting the goals to position the credit union for sustained growth, advancement and success.

In their report to the Membership, Mr. Gillis and Mr. Francis recognized the results of a successful year by continuing to set ambitious goals, to grow WFCU to be the preferred financial service provider in the region and across Ontario, to gain market share through organic growth, to build the best credit union, and to meet WFCU's members' needs while making investments that would ensure long-term sustainability.

Also, in their report, Mr. Gillis and Mr. Francis acknowledged the dedication of WFCU's staff, the guidance of the management teams and support of the Board of Directors without which WFCU's response to COVID-19 and accomplishments over the past year would not have been possible.

Mr. Gillis added that the efforts by all involved have allowed the credit union to continue to be able to share their profitability with members and the communities the credit union serves.

In their report, Mr. Gillis and Mr. Francis acknowledged their approach to technology in building and updating numerous platforms, applications and processes to better serve our members.

Also, in their report, Mr. Gillis and Mr. Francis provided an update on branch expansion revealing the opening of WFCU Credit Union's newest location in the Town of Kingsville and a new location for Avanti Wealth. They referenced the expansion of the footprint of our Head Office location to allocate more space for its growing team and the launching of the credit union's Small Business Center and Auto Finance and Leasing.

In their report, Mr. Gillis and Mr. Francis also commented this year end reflected the completion of the credit union's five-year strategic plan where growth, through physical expansion, divisional development, mergers and non-interest income opportunities were pivotal to our success over the past five years and stressed that throughout all of the advancements experienced, the credit union's purpose remained the same, grounded in the roots of their cooperative values noting that as a credit union our purpose is to provide for our members and the communities we serve, by elevating the role of banking to provide better financial solutions and allowing our members to realize their financial goals through our delivery of market-leading products, services and technology.

In their report, Mr. Gillis and Mr. Francis extended thanks to staff for their hard work and leadership bringing WFCU Credit Union to new levels, even during times of global uncertainty. He indicated by building on WFCU's strong foundation and taking a balanced approach to allocating resources through investment in its members, staff and financial strength, the credit union continues to achieve its goals.

In their report, Mr. Gillis and Mr. Francis recognized the dedication and commitment from the eight members who comprise the Board of Directors and acknowledged the leadership of Eddie Francis and the support of the Executive Team, Management and Staff, as WFCU Credit Union continues to deliver exceptional services to its members; continues to adapt to new realities and

continues to ensure its members' financial well-being was prioritized during this past year, as the credit union experiences the adjustment of the effects of COVID-19.

Report Of The Treasurer On The Credit Union's Financial Position

Ms. Stockwell Andrews called upon Board Chair Marty Gillis to report the results of the member vote on the Report of the Treasurer on the Credit Union's Financial Position.

Mr. Gillis indicated the report was included in the Member Information Packages and provided for review and approval.

Mr. Gillis reported voting had taken place and the motion to accept the Report of the Treasurer on the Credit Union's Financial Position passed with 100% voting in favour of the motion.

Members were provided with the following highlights as contained in the report:

The 2019/2020 fiscal year was bound by remarkable achievements and extraordinary circumstances which no one could have expected. COVID-19 changed the landscape of not only our business, but the state of business and economy as a whole, across the region, the province and the country.

Despite the challenges the pandemic thrust upon us, we maintained our services to our members; adapting to new realities and ensuring our members' financial well-being was prioritized, while maintaining a focused approach in meeting the goals we had set out for ourselves and positioning the credit union for sustained growth, advancement and success.

As a result of the uncertainties of COVID-19 and its continued impact on the credit union and its members, management together with the Board adopted a very conservative and responsible approach to allocating a higher than normal yet reasonable Estimated Credit Loss (ECL) Provision given the economic uncertainty and continued impact of COVID-19.

The allowance for ECL is reviewed on an annual basis and approved by the Audit Committee and the Board. The allowance for ECL is computed in compliance with IFRS 9 - Financial Instruments, and is set up on loan origination and reviewed annually using an advanced data analytics model, as required by the accounting standard. The model uses detailed loan level historical data, industry data, and macroeconomic data to calculate the allowance.

In addition to the model's macro economics, management applied significant judgement and implemented changes to key assumptions in measuring ECL given the economic climate resulting from COVID-19.

Management and the Board applied a heavier concentration on the worst-case projection of Forward Looking Information, otherwise not included in the model which assumed a significant increase in unemployment rate, reduced GDP expectations, and lower housing pricing index.

The model also provides for an ECL measurement which includes an increase in mortgage velocity and Loss Given Default which are deemed acceptable.

As a result of the above, and the adopted key assumptions determined by management and the Board, the allowance for ECL increased to \$7.3 million from \$3.9 million last year resulting in a provision expense of \$3.8 million expensed against income. Both Management and the Board determined the increase in the provision was prudent and reasonable given the continued uncertainties resulting from COVID-19. WFCU deemed prudent for the future financial health of the credit union to increase the estimated credit loss provision on its loan portfolio to account for potential future negative events related to the economic impacts of the COVID-19 pandemic.

The impact of the adjustment required for ECL has decreased comprehensive income to \$5.15 million as at May 31, 2020 compared to \$8.29 million in prior year.

Total on book assets increased 13.5% from \$2.6 billion to \$3.0 billion as at May 31, 2020. Assets include cash and cash equivalent, investments and member loans. Member Service Totals grew to \$7.0 billion.

Commercial lending activities increased \$95 million or 10% over prior year while retail mortgages and personal loans increased \$205 million or 19%.

Members continued to entrust WFCU with their deposits with an increase of \$162 million over the prior year or 7%. To complement the credit union's lending activity, WFCU further securitized \$177 million in mortgages to attain \$566 million. Total funding increased \$340 million over the prior year or 13%.

WFCU's strategic plan included growing other sources of income than traditional loans and mortgages. This year, total other non-interest income has increased \$1.98 million over last year primarily due to commissions and charges, foreign exchange and wealth management. WFCU continued to focus on expanding market share primarily through organic growth while continuing to build upon strategic partnerships and investments that will yield long-term benefit for WFCU Credit Union and its members.

Report of the Nominating Committee and Election Process

Ms. Stockwell Andrews called upon Board Chair Marty Gillis to present the Report of the Nominating Committee and results of the Election Process on behalf of the Nominating Committee.

Mr. Gillis indicated the Report of the Nominating Committee and Election Process authored by Committee Chair Rick Martinello was provided in the Member Information Packages.

The report indicated the Nominating Committee is charged with ensuring that the nomination and election process meets the level of governance required by WFCU Credit Union's legislative and regulatory environment to achieve its mandate. The duties and responsibilities of the Board are

set out in documents including the Credit Unions and Caisses Populaires Act, the Financial Services Regulatory Authority of Ontario (formerly DICO's) By-Law #5, WFCU's By-Laws, WFCU Policies, Operating Guidelines and Procedures.

The report indicated there were two vacancies on the WFCU Board of Directors, with each position for a three-year term. The 2020 Call for Nominations process opened at 9am on Monday, June 8, 2020, with the Candidate Application and Nomination Package made available to interested members. The Call for Nominations process closed at noon on June 19, 2020.

The report indicated over the two-week Nominations process, twelve members requested a package. By the closing deadline there were five members who submitted a WFCU Candidate and Nomination Package.

Members Patricia (Patti) France and Victor (Vic) Neufeld indicated their interest in putting forth their names by the deadline of noon on Friday, June 19, 2020, and met the requirements of the candidate application and nomination process.

The report indicated the Nominating Committee of the Board of Directors successfully completed their role in ensuring that there was a sufficient number of qualified applicants to fill the two positions.

Mr. Gillis reported that voting had taken place and the membership approved, by a majority vote of 99.3%, to accept the motion to approve the Report of the Nominating Committee and Election Process.

On behalf of the Nominating Committee, Mr. Gillis declared Patti France and Victor Neufeld duly elected to fill the three-year positions on the Board by acclamation.

Report of the Audit Committee

Ms. Stockwell Andrews called upon Board Chair Marty Gillis to report the results of the Audit Committee.

Marty Gillis provided the report on behalf of the Audit Committee. He indicated the Report of the Audit Committee authored by Committee Chair Bob Nesbitt was included in the Member Information Packages.

Mr. Gillis reported that voting has taken place and the membership voted 100% in favour to approve the motion to accept the Report of the Audit Committee.

Report of the Independent Auditors

Ms. Stockwell Andrews called upon Board Chair Marty Gillis to present the Report of the Independent Auditors.

Mr. Gillis indicated the Report of the Independent Auditors from KPMG, WFCU Credit Union's Auditors, was provided in the Member Information Packages. Their report indicated the accompanying summary financial statements were consistent, in all material respects, with the audited financial statements, in accordance with the criteria disclosed in Note 1 in the summary financial statements.

Mr. Gillis reported that voting had taken place and members voted 100% in favour to approve the motion to accept the Report of the Independent Auditors.

Appointment of Auditors.

Ms. Stockwell Andrews called upon Board Chair Marty Gillis present the Appointment of Auditors.

Mr. Gillis reported that the recommendation on the Appointment of Auditors was included in the Member Information Packages.

Mr. Gillis reported that voting had taken place and the membership approved, by a majority vote of 99.6%, a motion to re-confirm the appointment of KPMG LLP as External Auditors for WFCU for the fiscal years 2020 – 2024, and to appoint KPMG LLP as External Auditors for the fiscal year 2020-2021.

Special Business of the Meeting

Ms. Stockwell Andrews thanked Mr. Gillis and called upon President and CEO Eddie Francis to present the Special Business of the Meeting.

By-Law To Amend The WFCU Credit Union General By-Law No. 1 Sections 4.10, 4.13 and 4.16

President and CEO Eddie Francis reported that a recommendation to the Membership to approve the amendments to the WFCU Credit Union General By-law No. 1 was contained in the Membership Information Packages.

He indicated that Section 4.10 provides further clarification for approval for a Director to participate in a meeting by telephone, electronic or other means of communication;

Section 4.13 further defines the notice of meeting for Board Meetings;

And Section 4.16 further defines regular scheduled Board Meetings and meeting attendance;

The Resolution is as follows:

WHEREAS the Board of Directors of Windsor Family Credit Union Limited (the "Credit Union") acknowledges the realization of an evolving nature of their Board and Committee meetings and the necessity to exercise additional methods to communicate and participate in such meetings;

AND WHEREAS the Board of Directors of the Credit Union has determined that meetings not prescheduled and called upon by short notice may not coincide with the availability of all Board members;

NOW THEREFORE BE IT ENACTED, and it is so enacted as a By-law of the Credit Union as follows:

1. Section 4.10 of the General By-law be hereby repealed and replaced with the following:

Meeting by Telephone, Electronic or Other Means of Communication

4.10 Upon approval of the Chair of the Board, a director may participate in a meeting of the Board or of a committee of the Board by means of such telephone, electronic or other communications facilities as permit all persons participating in the meeting to communicate, a director participating in such a meeting by such means is deemed to be present at the meeting. Any such consent shall be effective with respect to all meetings of the Board and of committees of the Board in which a director holds office.

2. Section 4.13 of the General By-law be hereby repealed and replaced with the following:

Notice of Meeting

4.13 Notice of the date, time and place of each regular scheduled meeting of the Board shall be given in the manner provided in section 14.01 to each director not less than forty-eight (48) hours (exclusive of any part of a Non-business Day) before the time when the meeting is to be held. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business to be specified.

In time sensitive situations, or in the event of an emergency, the Chair of the Board can call a special meeting at his pleasure and without notice. An effort shall be made to contact each Board member.

A director may in any matter waive notice of or otherwise consent to a meeting of the Board.

3. Section 4.16 of the General By-law be hereby repealed and replaced with the following:

Regular Scheduled Meetings

4.16 The Board may Appoint a day or days in any month or months for regular scheduled meetings of the Board at a place and hour to be named. A copy of any

resolution of the Board fixing the place and time of such regular scheduled meetings shall be sent to each director forthwith after being passed, but no other notice shall be required for any such regular scheduled meeting except where the Act requires the purpose thereof or the business to be transacted thereat to be specified.

In all other respects, the General By-law be hereby ratified and confirmed.

Mr. Francis reported that voting had taken place and the motion to approve the By-law to Amend the WFCU Credit Union General By-law No. 1, Sections 4.10, 4.13 and 4.16, as presented, passed with 100% voting in favour of the motion.

By-Law To Amend The WFCU Credit Union General By-Law No. 1 Sections 2.03 (A), 4.01, 4.02, 4.06 And 4.08

Mr. Francis reported WFCU Credit Union has entered into an asset purchase agreement with Education Credit Union Limited dated May 25, 2020; and, therefore the following Special Business was placed before the Membership for consideration.

Mr. Francis also reported that information was also provided related to Item 3h) under Special Business and included a recommendation to the Membership to consider and, if thought advisable, to confirm, pursuant to section 107 of the Credit Unions and Caisses Populaires Act, 1994 (the "Act"), a special resolution which amends Sections 2.03(a), 4.01, 4.02, 4.06 and 4.08 of the Credit Union's by-laws to facilitate the closing of the Credit Union's purchase of the assets and business of Education Credit Union Limited.

Mr. Francis reported the Board of WFCU Credit Union, in compliance with the asset purchase agreement dated May 25, 2020 with respect to the above-noted transaction, proposed amendments to the Credit Union's By-law to increase the size of its Board by one member, to nine members, from its current eight person board, and to allocate one Board position to an individual who resides or works within the municipal boundaries of the Regional Municipality of Waterloo.

Mr. Francis reported the Board of WFCU Credit Union further proposed an amendment to Section 2.03(a) Membership Shares and recommended a reduction in its minimum membership share requirement to one \$5 membership share, from its current minimum of 17 membership shares at \$5 each. And, also to conduct such further and other business as may properly come before the meeting or any adjournments thereof.

Mr. Francis indicated recommendations and supporting documentation for the amendments were included in the Member Information Packages as follows:

WHEREAS the Credit Union has entered into an asset purchase agreement with Education Credit Union Limited dated May 25, 2020 (the "Asset Purchase Agreement");

AND WHEREAS the Board and membership of the Credit Union wish to make certain amendments to the Credit Union's by-laws to facilitate the closing of the transaction contemplated by the Asset Purchase Agreement;

NOW THEREFORE BE IT ENACTED, and it is so enacted as a by-law of the Credit Union as follows:

1. Section 2.03(a) of By-law No. 1 of the Credit Union, as most recently confirmed by the membership of the Credit Union on September 12, 2018 (the "General By-law"), be hereby repealed and replaced with the following:

Membership Shares

2.03 (a) No person shall become a member of the Credit Union until he has fully paid for one five dollar (\$5) membership Share of the Credit Union.

2. Sections 4.01 and 4.02 of the General By-law be hereby repealed and replaced with the following:

Number of Directors and Quorum

4.01 The number of directors of the Credit Union shall be nine (9), of which at least (1) director shall at all times be resident or employed in the Regional Municipality of Waterloo. The quorum for the transaction of business at any meeting shall be a majority of the Board.

Qualification

4.02 No person shall be qualified for election as a director if he is not a natural person, is less than 18 years of age, or is not a member of the Credit Union, and every director shall be a Canadian citizen or a person lawfully admitted to Canada for permanent residency who is ordinarily resident in Canada. A director not resident or employed in the Regional Municipality of Waterloo is not qualified for the director position allocated to someone resident or employed in that region. No person who is disqualified under the Act shall be qualified for election as a director.

3. Section 4.06 of the General By-law be hereby repealed and replaced with the following:

Removal of Directors by Members

4.06 Subject to the provisions of the Act, the members may by special resolution passed at a meeting specially called for such purpose remove any director from office and the vacancy created by such removal shall be filled at the same meeting. If the director removed from office is resident or employed in the Regional Municipality of Waterloo and there is at that time no other director resident or employed in the Regional Municipality of Waterloo, the members shall fill the vacancy created by the removal with a qualified individual resident or employed in the Regional Municipality of Waterloo.

4. Section 4.08 of the General By-law be hereby repealed and replaced with the following:

Vacancies

4.08 Subject to the Act, a quorum of the Board may fill a vacancy on the Board by appointing a qualified individual to serve until the next annual meeting of members of the Credit Union. In the absence of a quorum of the Board, the directors then in office shall forthwith call a special meeting of members to fill the vacancy. If the directors then in office fail to call such meeting or if there are no directors then in office, any member may call the meeting. If none of the remaining directors reside or are employed in the Regional Municipality of Waterloo, the vacancy shall be filled with a qualified individual who resides or is employed in the Regional Municipality of Waterloo.

5. In all other respects, the General By-law be hereby ratified and confirmed.

Mr. Francis reported that voting had taken place and the motion to approve the By-law to Amend the WFCU Credit Union General By-law No. 1, Sections 2.03 (a), 4.01, 4.02, 4.06 and 4.08, as presented, passed with a majority vote of 98.5% in favour of the motion.

Mr. Francis reported during the month of August, members of Education Credit Union (ECU) voted on matters that would determine the future of their credit union. Mr. Francis was pleased to share that Education Credit Union members approved the recommendation to merge with WFCU Credit Union and to continue serving their members and the communities of Kitchener, Waterloo and Cambridge under the name ECU a division of WFCU Credit Union.

Mr. Francis, on behalf of WFCU Credit Union expressed his thanks to the Members of WFCU Credit Union and Education Credit Union for having the confidence in both credit unions to proceed collectively with this partnership, noting the two credit unions will become one effective October 1, 2020 and will work together to provide the best products and services to our regions to meet the needs of the members and the system as a whole.

Mr. Francis acknowledged the hard work and dedication of Education Credit Union Chair, James McCormack and the ECU Board, CEO Gary Renouf, Management and all ECU Staff in moving this partnership forward.

UNFINISHED BUSINESS

Ms. Stockwell Andrews thanked Mr. Francis for his presentation and called upon Chair Marty Gillis to present any Unfinished Business.

Mr. Gillis reported there was no Unfinished Business from the previous year brought forth.

In closing, Mr. Gillis, on behalf of the Board of Directors, expressed appreciation to President and CEO Eddie Francis, the Executive Vice President Team for their tireless efforts, and to the

Membership for their patience, continued support and understanding throughout the COVID-19 pandemic. He acknowledged the staff for their continued dedication, commitment and professionalism during quickly changing circumstances.

Mr. Gillis reported as they look to the future, members can expect to see new and exciting product offerings, partnerships and changes from their credit union. Further, as WFCU continues to find ways to operate under a new normal, Management and the Board will ensure the safety of its members, staff and community remains a top priority, while continuing to strive to exceed member expectations in providing the best financial services.

Members were thanked for their continued support of WFCU Credit Union and advised to continue to be safe.

ADJOURNMENT

There being no further business, Chairman Gillis declared the meeting adjourned.
Time: 6:47pm.



Martin D. Gillis
Chairman of the Board



Susan Stockwell Andrews
Corporate Secretary